



To enrich lives through effective and caring service



December 4, 2012

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, CA 90012

ADOPTED

BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

30 December 4, 2012

Santos H. Kreimann
Director

Kerry Silverstrom
Chief Deputy

Gary Jones
Deputy Director

Sachi A. Hamai
SACHI A. HAMAI
EXECUTIVE OFFICER

Dear Supervisors:

**LIFEGUARD VEHICLE SPONSORSHIP AGREEMENT WITH FORD MOTOR COMPANY
(3RD AND 4TH DISTRICTS) (3 VOTES)**

SUBJECT

This action is to award a new Lifeguard Vehicle Sponsorship Agreement to Ford Motor Company, which will allow for the Fire Department's Lifeguard Division's use of 45 custom-built Ford 2008 Escape Hybrid Sport Utility Vehicles as beach patrol vehicles for two years, free of charge and covered under an extended warranty. Ford Motor Company will also provide the opportunity for the Fire Department's Lifeguard Division and the Department of Beaches and Harbors to purchase up to 80 additional vehicles during the Agreement term at preferred pricing, as well as offer to all County departments the option to purchase any of the 45 used Ford 2008 Escape Hybrid Sport Utility Vehicles at the end of the Agreement term. In exchange, Ford will receive the exclusive right to advertise itself as the "Official Vehicle Sponsor of Los Angeles County Beaches" and the "Official Vehicle Sponsor of Los Angeles County Beach Lifeguards".

IT IS RECOMMENDED THAT YOUR BOARD:

1. Authorize and instruct the Chairman to execute the attached two-year Lifeguard Vehicle Sponsorship Agreement with Ford Motor Company pursuant to which the County will have use of 45 custom-built Ford 2008 Escape Hybrid Sport Utility Vehicles as beach patrol vehicles without charge and covered under an extended warranty.
2. Delegate authority to the Fire Department's Lifeguard Division and the Department of Beaches and Harbors to purchase up to 80 new Ford vehicles at preferred pricing, during the term of the Agreement, and delegate authority to all County departments to purchase the 45 used Ford 2008 Escape Hybrid Sport Utility Vehicles at the end of the Agreement term, without requiring adherence to the County's normal purchasing procedures and practices.
3. Authorize the Director of the Department of Beaches and Harbors, with concurrence of the Fire Department's Lifeguard Division and County Counsel, to execute nonmaterial amendments to the Agreement as necessary during the two-year term.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The purpose of the above recommended actions are to allow for the continued use by the Fire Department's Lifeguard Division (Lifeguards) of 45 Ford 2008 Escape Hybrid Sport Utility Vehicles (SUVs) already in Lifeguards' possession pursuant to a recently-expired agreement with Ford Motor Company (Ford) as beach patrol vehicles. In addition, the SUVs will be covered by an extended warranty during the term of the Lifeguard Vehicle Sponsorship Agreement (Agreement) and the Department of Beaches and Harbors (Department) and Lifeguards will have the option of purchasing up to 80 new vehicles at preferred pricing from Ford. Finally, at the end of the Agreement term, all County departments will have the right to purchase the used SUVs at prices to be determined by Ford based upon such factors as wear and tear and the prevailing wholesale values of similar vehicles at the time of purchase.

Implementation of Strategic Plan

The new Agreement promotes the County's Strategic Plan "Operational Effectiveness" Goal 1, "Budget Management" Strategic Initiative 3, and "Fiscal Sustainability" Goal 2 by allowing for the continued use of 45 SUVs under an extended warranty at no cost to the County, in addition to preferred pricing on up to 80 new Ford vehicles during the Agreement term that may be purchased by the Lifeguards and the Department. Additionally, these Strategic Plan Goals are furthered by the County's use and potential purchase of the 45 SUVs, as well as new, discounted Ford vehicles, all of which will assist Lifeguards and the Department in providing a cleaner and safer environment for the 55 million annual beachgoers who visit and recreate on Los Angeles County beaches.

FISCAL IMPACT/FINANCING

The County's use of the 45 SUVs for a period of two years has an estimated value of \$854,294 based on a 24-month lease. The extended warranty on the vehicles for all warranty repairs and other necessary service through local Ford dealerships is valued at \$60,000. The fuel cost savings through use of the hybrid vehicles is estimated to be \$26,153 per year at today's prices, based on the SUVs' estimated annual mileage and the increased fuel efficiency. Over the course of the two-year term, therefore, the Agreement will provide a total estimated cost savings of \$966,600.

The County will continue to be responsible for all ordinary operating expenses for the 45 SUVs, such as gas, oil and tire repairs, and any vehicles purchased at preferred pricing. The County will continue to insure all vehicles through its self-insurance program.

Operating Budget Impact

The recommended actions will have no impact on the Department's operating budget. The Department's FY 2012-13 Final Adopted Budget included funding to replace aging vehicles and equipment, which could be used for new Ford vehicle purchases at the discretion of the Department.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

The previous Lifeguard Vehicle Sponsorship Agreement No. 76551 (Agreement No. 76551) with Ford, approved by your Board on May 13, 2008, provided the Lifeguards with 45 SUVs for use as beach patrol vehicles for a period of four years. Although Agreement No. 76551 included two additional four-year extension options, Ford opted not to exercise the first option at the end of the initial four-year term. Instead, it proposed a two-year extension in exchange for the County's permanent ownership of the 45 SUVs without purchase cost, as well as extended vehicle warranties during the extension period and the continued ability of the Lifeguards and the Department to purchase up to 40 new Ford vehicles at preferred pricing.

On May 1, 2012, your Board delegated authority to the Department Director to enter into an amendment to Agreement No. 76551 to effect a two-year extension in advance of the termination date on May 12, 2012. However, subsequent to your Board's action, Ford determined it was unable to provide ownership of the 45 SUVs to the County, instead only being able to offer continued use without cost. Accordingly, Agreement No. 76551 expired as Ford did not execute the amendment. However, upon expiration of Agreement No. 76551, the County was able to retain use of the 45 SUVs, while the County and Ford negotiated this new Agreement and moved forward in the approval process. The new Agreement excludes an opportunity included in the earlier proposed amendment for Ford to purchase rip current signage with name identification space, as well as ten of 20 special event permits previously offered without cost to Ford. The County continues to have the opportunity to purchase the SUVs at the end of the two-year term at prices to be provided by Ford based upon a number of factors, including wear and tear and the prevailing wholesale values of similar vehicles at the time of purchase.

Due to recent updates to Ford's standard corporate policy, the Agreement deviates from the County's standard terms and conditions in the following areas:

- Indemnification: Ford is unable to indemnify the County for any defect in the SUVs as manufactured, as well as for injury, advertising injury, illegal competition or trade practices, common law and/or statutory.
- Insurance: Ford will provide \$1 million in General Aggregate and Completed Operations Aggregate coverage instead of the \$2 million limit as suggested by the CEO's Office of Risk Management. Ford is unable to provide the \$1 million limit for Products Aggregate coverage.

The Department did not secure approval of Ford's Agreement revisions in time to present the Agreement to the Beach Commission at its October 24, meeting, and the Commission did not meet in November. County Counsel has approved the Agreement as to form.

CONTRACTING PROCESS

Due to the time sensitive nature of this sponsorship, no other companies were solicited for the Lifeguard Vehicle Sponsorship Agreement. We will start soliciting for a new Lifeguard vehicle sponsor early on in this two-year period.

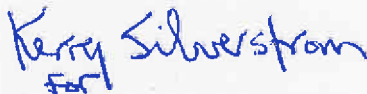
IMPACT ON CURRENT SERVICES (OR PROJECTS)

This Agreement will provide the Lifeguards with the continued use of 45 SUVs while another vehicle sponsor is sought, thereby ensuring the continued ability of Lifeguards to patrol the beaches for the safety of beachgoers throughout Los Angeles County.

CONCLUSION

Please return two copies of the executed Agreement and the Board letter to the Department of Beaches and Harbors.

Respectfully submitted,


for

SANTOS H. KREIMANN, Director

SHK:ks

Attachment (1)

c: Chief Executive Officer
County Counsel
Executive Officer, Board of Supervisors
Fire Chief

LOS ANGELES COUNTY
DEPARTMENT OF BEACHES AND HARBORS

THIS AGREEMENT, made and entered into this 4th day of December, 2012,

BY AND BETWEEN

COUNTY OF LOS ANGELES, a corporate
and politic, hereafter referred to as "County"

AND

Ford Motor Company, a Delaware
Corporation, hereafter referred to as
"Sponsor"

WITNESSETH:

WHEREAS, County is authorized by the provisions of Los Angeles County Code Section 2.132 to sell the right(s) to advertise on those beaches located within Los Angeles County that are owned, controlled or managed by the County of Los Angeles and desires to maximize the income to be generated thereby through selling said rights on an exclusive basis within distinct categories of goods and services; and

WHEREAS, Sponsor desires to purchase the exclusive rights to advertise, sponsor events and promote its product as the Official Vehicle Sponsor of Los Angeles County Beaches and of Los Angeles County Beach Lifeguards.

IT IS THEREFORE agreed by and between County and Sponsor as follows:

1. **Definitions:** As used herein, the terms set forth below shall be defined as follows:
 - A. "Agreement Year" shall mean the 12-month period commencing on the date that this Agreement is executed by the Board of Supervisors, which shall become the effective date of this Agreement, and the 12-month period thereafter.
 - B. "Business Day" shall mean a day of the week falling on Monday, Tuesday, Wednesday or Thursday. Friday and County Holidays are specifically excluded from the definition of "Business Day."
 - C. "Chief Lifeguard" shall mean the Chief Lifeguard of the Los Angeles County Fire Department Lifeguard Division.
 - D. "County Lobbyist" shall mean any individual who is employed, contracts or otherwise receives compensation, other than reimbursement for reasonable travel expenses, to communicate directly, or through agents, employees or subcontractors, with any County official for the purpose of influencing official action, as defined in Los Angeles County Code Section 2.160.010.

- E. "Department" shall mean the Los Angeles County Department of Beaches and Harbors.
- F. "Director" shall mean the Director of the Los Angeles County Department of Beaches and Harbors.
- G. "Lifeguards" shall mean the Los Angeles County Fire Department Lifeguard Division.
- H. "Logo(s)" shall mean the logos of the Department and Lifeguards, as well as any developed by the parties to this Agreement or mutually agreed upon in writing by parties to this Agreement, but shall not include the official insignia of the County of Los Angeles.
- I. "Los Angeles County Beaches" shall mean those beaches owned, controlled or managed by the Department.
- J. "Motor Vehicles" shall mean the marketing category related to cars (including but not limited to sports utility and crossover vehicles), trucks, dealers, dealer groups, and motorized recreational vehicles to which this Agreement shall apply.
- K. "Name Identification Space" shall mean that space possessed and used by Sponsor specifically on the 45 Ford Escape Hybrid Sport Utility Vehicles already in possession of the County pursuant to expired Agreement #76551 for use by Lifeguards as beach patrol vehicles.
- L. "Preferred Price" shall mean the price that Sponsor will charge the Department and Lifeguards for any additional vehicles outside of the 45 Ford Escape Hybrid Sport Utility Vehicles already in possession of the County pursuant to expired Agreement #76551 for use by Lifeguards as beach patrol vehicles, which will be based on Sponsor's X-Plan, generally 3-6% over dealer invoice.
- M. "Product(s)" shall mean any Motor Vehicle model(s) that are produced/provided by the Sponsor and its dealer associations and members thereof, all of whom may participate in the benefits of this Agreement accorded to Sponsor.
- N. "Special Event(s)" shall mean event(s) conducted solely on Los Angeles County Beaches by Sponsor that promote its Product for which Sponsor receives no sponsorship funding from other commercial sponsors.
- O. "Trademark(s)" shall mean any word(s), name(s), symbol(s) or any combination thereof which, when used by the Sponsor to this Agreement, would distinguish the Product made or sold by it from those goods made or sold by others.
- P. "Vehicles" shall mean the 45 Ford 2008 Escape Hybrid Sport Utility Vehicles already in possession of the County pursuant to expired Agreement #76551 for use by Lifeguards as beach patrol vehicles.

2. **County Obligations**

Upon execution of this Agreement, County shall grant to Sponsor the exclusive right within the category of "Motor Vehicles" to advertise on that property defined herein as the Vehicles, as well as exclusivity in the category of "Motor Vehicles" with respect to the right to purchase advertising space on County real and personal property.

A. County grants Sponsor exclusive signage rights in the category of "Motor Vehicles" on Los Angeles County Beaches. Exclusive signage rights granted to Sponsor include the exclusion of any name identification on Los Angeles County Beaches belonging to a motor vehicle manufacturer or seller that is a competitor of said Sponsor or dealers. However, County does not have the authority to grant this right on beaches where the 45 Ford vehicles may be driven but the Department does not have permitting authority, including Cabrillo, Santa Monica and Hermosa beaches and Avalon.

B. County grants Sponsor the right to use during the period of this Agreement the Logos and taglines below for both the Department and the Lifeguards in connection with the advertising and promotion of its Products. Sponsor understands that the rights granted herein with respect to those Logos are limited to use in connection with promotion of its Products and do not extend to any other products, goods or services.

C. County grants Sponsor the exclusive right, within the category of "Motor Vehicles," to use the following taglines:

Official Vehicle Sponsor of Los Angeles County Beaches

Official Vehicle Sponsor of Los Angeles County Beach Lifeguards

Additional taglines may be used if mutually agreed upon by Sponsor and County. All taglines may be used in such television, radio, print and online advertising or in such other media/venues (e.g., transit, cinema, jumbotron) as Sponsor may choose during the term of this Agreement in a territory consisting of the U.S.A., its possessions and territories, including Puerto Rico, and in Canada.

D. County grants Sponsor the exclusive right to be known as the Official and Exclusive Vehicle Sponsor of the entities named immediately above and to be known as the Official Sponsor of the Los Angeles County Beaches and Lifeguards within the "Motor Vehicles" category. This right does not prevent other motor vehicle sponsors or advertisements at beaches where the Vehicles may be driven but the Department does not have permitting authority, including Cabrillo, Santa Monica, and Hermosa beaches and Avalon. Sponsor has the exclusive right to use the taglines listed above and enjoy all rights pursuant to this Agreement pertaining thereto throughout the period of this Agreement. Upon termination, Sponsor shall transfer all rights to use said taglines and any Logos developed and mutually agreed upon in writing by parties to this Agreement to County with the exception of any of Sponsor's trademarks, logos or other intellectual property contained therein.

E. County grants Sponsor the right to display its Trademark and County approved taglines and Logos on signage at its Special Events. Displays will be subject to all

environmental and local regulations and written approval by the Director, which will not be unreasonably withheld. For all signage, the Sponsor must indicate the time, place, quantity, color, size, nature of material to be used, proximity to other structures, and length of time such signage is to be displayed for every Special Event.

F. County grants Sponsor the right to 10 Department-approved Special Event dates in each Agreement Year, under the Special Event permit process without having to pay the permit fee. Any other costs associated with these events are the responsibility of Sponsor. A Special Event permit will be issued to Sponsor so long as Sponsor applies for the permit 15 days in advance of each such scheduled event and so long as all requirements of the permit have been met and the proposed Special Event does not conflict with a previously scheduled event. This right does not apply to beaches where the Vehicles may be driven but the Department does not have permitting authority, including Cabrillo, Santa Monica and Hermosa beaches and Avalon.

The Sponsor is granted the right to distribute and/or sell promotional items in conjunction with its Special Events. However, specific terms for the distribution and sale of said items will be the subject of the Special Event permit that Sponsor will apply for in connection with each Special Event conducted.

G. County will not approve applications for beach permits in connection with events sponsored by a Motor Vehicle manufacturer that is a competitor of Sponsor to the extent the County can legally deny such approval from the date this Agreement is signed and throughout the term of this Agreement. However, such beach permit applications may be approved if the County receives the prior written approval of the Sponsor.

3. Sponsor Obligations

A. Sponsor agrees to submit to the Director and the Chief Lifeguard for their prior written approval all media advertising, promotional T.V. and radio commercials or any other display materials to be used by Sponsor in connection with the Logos and taglines of Los Angeles County Beaches and/or Lifeguards. Such material shall be submitted not less than five Business Days prior to its proposed release to the public. If the material is not disapproved in writing within three Business Days after receipt, it is deemed approved. County agrees to reasonably exercise its approval right and, once granted, County approval may not be withdrawn, except with respect to "on-beach" material and media, which may be withdrawn as reasonably determined by County. Furthermore, Sponsor agrees to consult with County at major milestones within the creative development and production process to help identify any concerns and/or issues that need to be addressed before proceeding to the next stage of development. County will also provide interim approvals at each stage (e.g., concept, script, storyboards, and rough cut).

B. Sponsor agrees to submit for prior approval to the Department and Lifeguards the signage design, size, nature of material and desired location on the Vehicles for the Sponsor's Name Identification Space, which approval shall not be unreasonably withheld.

C. Sponsor agrees not to use any promotional item in connection with the rights herein granted unless prior written approval of such use has been obtained from the Director and Chief Lifeguard, which approval shall not be unreasonably withheld.

D. Sponsor agrees not to manufacture any promotional item using Department or Lifeguard Logos until such written permission is granted by the County, which approval shall not be unreasonably withheld.

E. If the Sponsor desires to sell, or distribute for sale, any promotional item bearing the Logo(s) and/or Trademark(s) of the County, a separate licensing agreement shall be negotiated between the Sponsor and County.

4. **Consideration**

A. It is the intention of both parties that Sponsor is to provide Lifeguards with free use of the Vehicles for a period of two years in return for which Sponsor will receive the benefits and rights set forth in this Agreement, following which the County will then have the option to buy the Vehicles as described in Section 5 below. Effective upon execution of the Agreement, Sponsor will also provide a 24-month commercial extended service plan for the Vehicles, similar to extended service plans offered to other commercial/fleet vehicle purchasers. Ordinary operating expenses such as gas, oil, tire repair and other incidentals are the responsibility of County. All routine and scheduled maintenance according to Sponsor's (i.e., manufacturer) specifications will be the responsibility of the County, including but not limited to any special or unique service or maintenance necessary due to the unique use of these Vehicles. All repairs determined to be the result of abuse or failure to properly maintain the Vehicles are the responsibility of the County. Sponsor will have the option, but not the obligation, to provide a loan vehicle.

B. Preferred Price on up to 40 vehicles will be made available to the Lifeguards and the Department in each Agreement Year and will not be limited to the Vehicles described above. Once County has made such purchase from Sponsor's designated Southern California dealer, County will own these vehicles free and clear and therefore will be without any obligation to return such vehicles to Sponsor upon termination of the Agreement. All Preferred Price vehicles delivered to the County shall be subject to Sponsor's new vehicle limited warranty, a printed copy of which is furnished with each of the vehicles, and County may obtain such warranty service as provided for under the new vehicle limited warranty.

C. For all Vehicles purchased by the County pursuant to Section 5 below, the Sponsor will offer to the County the right to purchase extended service plans to the extent such a plan is available for used vehicles.

D. At the end of the term of this Agreement, the County will return the Vehicles not purchased by the County pursuant to Section 5 below in the condition that can be expected after wear and tear in a beach environment driving on the sand for a period of over six years. County will return Vehicles to the Sponsor's designated Southern California dealer within 90 days after the termination of the Agreement. County shall sign any and all documents necessary to return the Vehicles.

5. **Buyout Option**

At the termination of this Agreement, or pursuant to Sections 7 or 10 below, County shall have the option to purchase any or all of the Vehicles due to be returned to the Sponsor as outlined in Section 4, at prices to be provided by Sponsor at least 180 days prior to the termination of this Agreement. In the instance of cancellation of the Agreement pursuant to Section 10, County will have time to provide 60-day notice of intent to purchase after Sponsor provides Vehicle purchase prices. Vehicle prices provided by Sponsor shall be based upon a number of factors including wear and tear and the prevailing wholesale values of similarly used vehicles at the time of termination of this Agreement.

If the County elects to exercise such buyout option as to any or all of the Vehicles, it must notify Sponsor in writing pursuant to a 60-day intent to purchase notice, provided Sponsor gives vehicle pricing information 180 days prior to the termination of this Agreement. The County will promptly return any unpurchased Vehicles to Sponsor or Sponsor's designated Southern California dealer.

6. **Term**

This Agreement shall be deemed to commence on the date of the Los Angeles County Board of Supervisors' execution and shall continue for two Agreement Years, subject to the provisions concerning termination set forth in Sections 7 and 10 below.

7. **Operation Expansion or Reduction**

Sponsor and County agree that in the event that the County's ownership, control or management of Los Angeles County Beaches is expanded or reduced, as well as the total area where the Vehicles are driven on a regular basis as beach patrol vehicles by Lifeguards, thereby affecting the extent of Sponsor's ability to advertise its Product, both parties will in good faith promptly renegotiate this Agreement to take into account the increase or decrease in the size of operation. In renegotiation of the Agreement, the parties shall attempt to reasonably adjust the number of Vehicles to reflect the increase or decrease in the square mileage of beach areas driven by Lifeguards and portion of the Agreement Year affected.

If the reduction of County's ownership, control or management exceeds 50% of the area of Los Angeles County Beaches under its control as of the effective date of this Agreement and/or of the total area where the Vehicles are driven on a regular basis as beach patrol vehicles by Lifeguards, the Sponsor may terminate this Agreement upon 90-day written notice to County without incurring any further liability to the County beyond the liability incurred up to and including the 90th day of said 90-day notice period, and in such case, County shall return all Vehicles to Sponsor or Sponsor's designated Southern California dealer 90 days after Agreement termination and sign any and all documents necessary to divest the County of any ownership interest in or entitlement to the returned Vehicles.

8. **Indemnification**

A. Sponsor agrees to indemnify, defend and hold harmless the County, its Special Districts, elected and appointed officers, employees and agents from and against any and all claims, demands, actions, causes of action, damages, costs and expenses

(including without limitation attorney and expert witness fees), related to Sponsor's marketing and promotion activities associated with its designation and/or status as the "Official Vehicle Sponsor of Los Angeles County Beaches" or the "Official Vehicle Sponsor of Los Angeles County Beach Lifeguards" and Sponsor's activities in connection with any Special Events or Special Event Permits.

B. County agrees to indemnify, defend and hold harmless Sponsor, its officers, directors, employees and agents from and against any and all claims, demands, actions, causes of action, damages, costs and expenses (including without limitation attorney and expert witness fees), related to County's operation, storage or maintenance of the Vehicles and/or any other vehicles separately purchased by County under Section 4.B above.

9. **Insurance**

A. **County's Insurance Coverage:**

Without limiting County's indemnification of Sponsor, and in the performance of this Agreement and until all of its obligations pursuant to this Agreement have been met, County shall provide and maintain at its own expense insurance coverage satisfying the requirements specified below in this Section 9.A of this Agreement. These minimum insurance coverage terms, types and limits are in addition to and separate from any other contractual obligation imposed upon County pursuant to this Agreement. Sponsor in no way warrants that the required insurance is sufficient to protect County for liabilities that may arise from or relate to this Agreement.

The following insurance shall cover County activities under this Agreement whether such activities be by itself or by any subcontractor or by anyone directly or indirectly employed by any of them, or by anyone for whose acts any of them may be liable:

Liability Insurance

- Workers' Compensation insurance for statutory limits or a State certificate of self insurance, and employer's liability insurance for not less than \$1 million per occurrence.
- Occurrence type commercial general liability insurance, including but not limited to blanket contractual coverage, for bodily injury including death, personal injury, and property damage with limits of not less than \$3 million combined single limit per occurrence.
- Automobile liability insurance covering all owned, non-owned and hired vehicles with limits of not less than \$3 million combined single limit per occurrence.

County shall require that its subcontractors procure and/or maintain insurance coverage at the limits described above. County shall indemnify and be fully responsible for any cost to Sponsor resulting from said subcontractor's failure to procure and/or maintain said insurance.

County, at its sole option, may satisfy all or any part of this insurance requirement through use of a program of self insurance (self-funding of its liabilities). Certificate

evidencing coverage or letter evidencing self-funding will be provided to Sponsor after execution of this Agreement at Sponsor's request.

B. Sponsor's Insurance Coverage:

Without limiting Sponsor's indemnification of County, and in the performance of this Agreement and until all of its obligations pursuant to this Agreement have been met, Sponsor shall provide and maintain at its own expense insurance coverage satisfying the requirements specified below in this Section 9.B of this Agreement. These minimum insurance coverage terms, types and limits are in addition to and separate from any other contractual obligation imposed upon Sponsor pursuant to this Agreement. County in no way warrants that the required insurance is sufficient to protect Sponsor for liabilities that may arise from or relate to this Agreement.

Sponsor shall provide Commercial General Liability insurance naming County as an additional insured, with limits of not less than:

General Aggregate:	\$1 million
Completed Operations Aggregate:	\$1 million
Personal and Advertising Injury:	\$1 million
Each Occurrence:	\$1 million

Sponsor shall require that its subcontractors procure and/or maintain insurance coverage at the limits described above. Sponsor shall indemnify and be fully responsible for any cost to County resulting from said subcontractor's failure to procure and/or maintain said insurance.

Sponsor shall be permitted to meet these insurance coverage terms through self-insurance. Certificate evidencing coverage or letter evidencing self-funding will be provided to County after execution of this Agreement at County's request.

C. Waiver of Subrogation:

Sponsor and County each hereby waive any and all rights of subrogation that their insurers may have for recovery against the other and its parent, subsidiaries and affiliates, and their respective officers, directors, stockholders, agents, and employees, relating to losses or damage arising from performance of this Agreement.

10. Default; Remedies

A. The following events shall constitute an event of default under this Agreement regardless of whether any such event shall be voluntary or involuntary, or shall result from the operation of applicable laws, rules or regulations, or shall be pursuant to or in compliance with any judgment, decree or order of any court of competent jurisdiction:

- (1) Either party shall make any material misrepresentation or shall breach any warranty made herein;
- (2) Either party shall commence a voluntary case or other proceeding seeking liquidation, reorganization or other relief under any bankruptcy, insolvency or similar law, or shall make a general assignment for the benefit of creditors, or shall

have an involuntary case or other proceeding instituted against it seeking similar relief;

- (3) Either party shall otherwise fail to perform or observe any other covenant or condition set forth herein and such failure shall continue unremedied for a period of 30 days after the receipt of written notice from the nondefaulting party.

B. Upon the occurrence of an event of default, and at any time thereafter so long as the same shall be continuing, the nondefaulting party may declare, at its option, this Agreement to be in default and may: (1) immediately terminate this Agreement without any liability whatsoever; (2) by appropriate court action seek enforcement of the terms hereof and recover damages for the breach hereof; (3) exercise any other right or remedy available to it under law or in equity; or (4) seek any permitted combination of such remedies. No remedy is intended to be exclusive, but each shall be cumulative, and the exercise of any such remedy shall not preclude the simultaneous or later exercise of any other remedy.

C. It is the intention of both parties that this Agreement will continue in effect pursuant to all of its terms and conditions in the event that Sponsor is acquired or merged into another business entity or in the event of a change in the legal status of County; consequently, this Agreement shall be binding upon the successors and assigns of Sponsor and of County.

11. **Waiver**

Failure or inability of either party to enforce any right hereunder shall not waive or modify any right to enforce said right in the future.

12. **Notices**

All notices and statements to be given hereunder shall be given at the respective addresses of the parties as set forth below, unless notification of a change of address is given in writing. Any notice shall be delivered by hand (with receipt of delivery) or sent by registered or certified mail or by telefacsimile or other electronic transmission and shall be effective upon receipt. Sponsor shall maintain an address within California as the address to which such notice shall be given. Sponsor shall designate an agent with a California address to accept service of process. The addresses for notice and agents for service of process are:

County	Department of Beaches and Harbors 13837 Fiji Way Marina del Rey, CA 90292 Attn: Community and Marketing Services Division Chief
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Sponsor	Ford Motor Company 1 American Road Dearborn, MI 48126 Attn: Secretary's Office
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Additionally, any notice sent from the County to Sponsor shall be copied to Sponsor's agent:

Team Detroit
9150 Wilshire Blvd, Suite 102
Beverly Hills, CA 90212
Attn: Ross Mackenzie

13. **Assignment**

Sponsor shall not have the right to assign any of its rights or delegate any obligations hereunder to an unrelated third party without the prior written consent of the Director, which will not be unreasonably withheld.

14. **Compliance with Law, Rules and Regulations**

Both parties shall comply with all applicable federal and state laws and regulations, as well as all municipal and County ordinances, rules and regulations, including but not limited to those relating to the Department and the Los Angeles County Fire Department.

15. **County Lobbyist**

Sponsor agrees that each "County Lobbyist", as defined herein and in Los Angeles County Code Section 2.160.010, retained by the Sponsor shall fully comply with the County Lobbyist Ordinance that is set forth in Los Angeles County Code Chapter 2.160. Failure on the part of any County Lobbyist retained by the Sponsor to comply with the County Lobbyist Ordinance shall constitute a material breach of this Agreement upon which the County may immediately terminate this Agreement, upon written notice thereof to Sponsor.

16. **Severability of Provisions**

Should any individual provision of this Agreement be declared void, the validity of the remainder of this Agreement will not be affected and will remain in full force and effect.

17. **Independence**

The parties shall at all times act independently. Nothing contained in this Agreement shall be construed to make one party the partner, joint venturer, principal, agent or employee of the other party hereto. Specifically, County shall have no express or implied authority to act for or on behalf of Sponsor, and Sponsor shall have no express or implied authority to act for or on behalf of County.

18. **Governing Law**

This Agreement will be governed by and construed and interpreted in accordance with the law of the State of California.

19. **Termination for Improper Consideration**

County may, by written notice to Sponsor, immediately terminate the right of Sponsor to proceed under this Agreement if it is found that consideration, in any form, was offered or given by Sponsor, either directly or through an intermediary, to any County officer, employee or agent with the intent of securing the Agreement or securing favorable treatment with respect to the award, amendment for extension of the Agreement or the

making of any determinations with respect to the Sponsor's performance pursuant to the Agreement. In the event of such termination, County shall be entitled to pursue the same remedies against Sponsor as it could pursue in the event of default by the Sponsor.

Sponsor shall immediately report any attempt by a County officer or employee to solicit such improper consideration. The report shall be made either to the County manager charged with the supervision of the employee or to the County Auditor-Controller's Employee Fraud Hotline at (800) 544-6861.

Among other items, such improper consideration may take the form of cash, discounts, service, the provision of travel or entertainment, or tangible gifts.

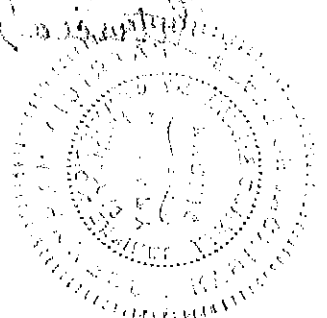
20. **Amendment of Agreement**

Only nonmaterial amendments to the Agreement that do not materially change the scope of the Agreement, increase the County's financial responsibility or impose additional liability on the County may be executed without approval of the Los Angeles County Board of Supervisors and all must be in writing and shall not be effective unless and until executed by Sponsor and, in the case of the County, until executed by the Director.

21. **Entire Agreement**

This Agreement contains the entire understanding between the parties relating to the subject matter herein contained.

WILSON HARKNESS
County of Wayne
Michigan
Expires 10-31-2013



IN WITNESS WHEREOF Sponsor has executed this Agreement, or caused it to be duly executed, and County of Los Angeles, by order of its Board of Supervisors, has caused this Agreement to be executed on its behalf by the Chairman of said Board and attested by the Executive Officer-Clerk of the Board thereof, the day and year first above written.

(SPONSOR ACKNOWLEDGEMENT)

SPONSOR

Ford Motor Company

By: Ken Czubay

Ken Czubay, Vice President
U.S. Marketing, Sales and Service

STATE OF MICHIGAN}

COUNTY OF WAYNE}

On November 5, 2012, before me the undersigned notary public, personally appeared Ken Czubay, the person(s) whose name is subscribed to this instrument, and acknowledged that he executed it.

Patricia Harkness

PATRICIA HARKNESS
Notary Public, State of Michigan
County of Wayne
Commission Expires 10-31-2013
In the county of Wayne

COUNTY OF LOS ANGELES

Mark Ridley-Thomas

By: _____

Mark Ridley-Thomas
Chairman, Board of Supervisors

ATTEST

SACHI A. HAMAI
Executive Officer-Clerk
of the Board of Supervisors

By: Sachelle Smitherman

Deputy



I hereby certify that pursuant to
Section 26103 of the Government Code,
delivery of this document has been made.

SACHI A. HAMAI
Executive Officer
Clerk of the Board of Supervisors

Sachelle Smitherman
Deputy

APPROVED AS TO FORM:

JOHN KRATTLI
County Counsel

By: Christina Angeles Salseda

Christina Angeles Salseda
Principal Deputy County Counsel

ADOPTED
BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

30

DEC 4 2012

Sachi A. Hamai
SACHI A. HAMAI
EXECUTIVE OFFICER

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